

**MCC/ MCA-Benin Monitoring and Evaluation Plan**

Version 3

November 2009

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## LIST OF ABBREVIATIONS

The following compendium of capitalized terms used in this Monitoring and Evaluation Plan and is provided for the convenience of the reader.

<b>ALAFIA</b>	<i>Microfinance Association (Association Nationale des Practiciens de la Microfinance du Bénin)</i>
<b>APR</b>	<i>Annual Progress Report</i>
<b>BCEAO</b>	<i>Central Bank of West African States</i>
<b>BOC</b>	<i>Fish/seafood inspection handling facility at the Port (Base Obligatoire de Controle)</i>
<b>CAMeC</b>	<i>Center for Arbitration, Mediation and Conciliation</i>
<b>CCIB</b>	<i>Chamber of Commerce and Industry in Benin</i>
<b>CSSFD</b>	<i>Cellule Supervision Microfinance</i>
<b>DDET</b>	<i>Department of Properties, Registration and of Stamps (Direction des Domaines de l'Enregistrement et du Timbre)</i>
<b>DUA</b>	<i>Department of Urban Development (Département Urbanisme et Amenagement)</i>
<b>EMICoV</b>	<i>Benin's national household living standards measurement survey (L'Enquête Modulaire Intégrée sur les Conditions de Vie)</i>
<b>EIF</b>	<i>Entry into Force</i>
<b>FCFA</b>	<i>Benin Currency (Francs Communauté Financière d'Afrique)</i>
<b>FINECF</b>	<i>Financial Innovation and Expansion Challenge Facility or the Challenge Facility</i>
<b>GoB</b>	<i>Government of Benin</i>
<b>IEC</b>	<i>Information, Education and Communication Campaign</i>
<b>IGN</b>	<i>National Institute of Cartographie (Institut National Géodésie et Cartographie)</i>
<b>INSAE</b>	<i>National Statistics Institue (Institut National de la Statistique et de l'Analyse Economique)</i>
<b>M&amp;E</b>	<i>Monitoring and Evaluation</i>
<b>MAEP</b>	<i>Ministry of Agriculture (Ministère d'Agriculture de l'Elevage et de la Pêche)</i>
<b>MCA</b>	<i>Millennium Challenge Account.</i>
<b>MCA-Benin</b>	<i>Millennium Challenge Account-Benin</i>
<b>MCC</b>	<i>Millennium Challenge Corporation</i>
<b>MEHU</b>	<i>Ministry of Environment, Land Planning and Housing (Ministère de l'Environnement, de l'Habitat et de l'Urbanisme)</i>
<b>MFIs</b>	<i>Microfinance institutions</i>
<b>MSMEs</b>	<i>Micro, Small- and Medium Enterprises</i>
<b>OHADA</b>	<i>Organization for the Harmonization of Business Law in Africa</i>
<b>PAC</b>	<i>Port Autonome de Cotonou</i>
<b>PFR</b>	<i>Rural Land Plan (Plan Foncier Rural)</i>
<b>PSM</b>	<i>Propensity Score Matching</i>
<b>TPI</b>	<i>Tribunal de Premier Instance (circuit court)</i>
<b>WAEMU</b>	<i>West African Economic and Monetary Union</i>

## OVERVIEW

On February 22, 2006, The United States of America, acting through the Millennium Challenge Corporation (MCC), and the Government of the Republic of Benin signed a Compact for sustained poverty reduction and economic growth. Monitoring and Evaluation (M&E) is essential for a results-based approach to program management. It was a key component of program design and remains incorporated into all facets of the program cycle through program close-out. This Monitoring and Evaluation Plan for the MCA-BENIN Program details how performance objectives will be measured and reported, and how evaluations will be conducted. It is based on the Annex III to the Compact, which describes, in general, how progress toward Compact results will be measured.

More specifically, the M&E Plan serves the following functions:

- Explains in detail how MCC and MCA-Benin monitor the various projects to determine whether they are achieving their intended results and measure their larger impacts over time through mid-term and final evaluations.
- Serves as a guide for program implementation and management, in order that MCA-Benin staff, the Board of Directors, Advisory Council members, program implementers, beneficiaries, and other stakeholders understand the objectives and targets they are responsible for achieving, and are aware of their progress towards those objectives and targets during implementation.
- Alerts MCA-Benin, implementing agencies, stakeholders and MCC to any problems in program implementation and provides the basis for identifying and making any needed program adjustments.

This M&E Plan is considered a binding document. Failure to comply with its stipulations could result in suspension of disbursements. All M&E plan modifications must comply with MCC Policy on Monitoring and Evaluation<sup>1</sup>, as noted in section 4.3 below.

This document is the third version of MCA Benin's Monitoring and Evaluation plan. This revision responds to the need for greater precision and alignment between Compact projects and monitoring and evaluation activities, as identified in the first and second external data quality review. This version also reflects on going changes in MCC's M&E requirements. The main revisions include:

- Adjustments to indicators and targets (documented in Annexes 2 and 4)
- Changing monitoring and evaluation procedures (such as MCC requirements for process milestones and common indicators)
- Updating this document to reflect the current state of M&E implementation, including past studies and major results

MCA Benin and MCC have collaborated in conducting these revisions. MCC project points of contact identified indicators requiring greater precision and reviewed targets for accuracy and practicality. MCA Benin conducted a thorough review with Project level input and consultations with external stakeholders.

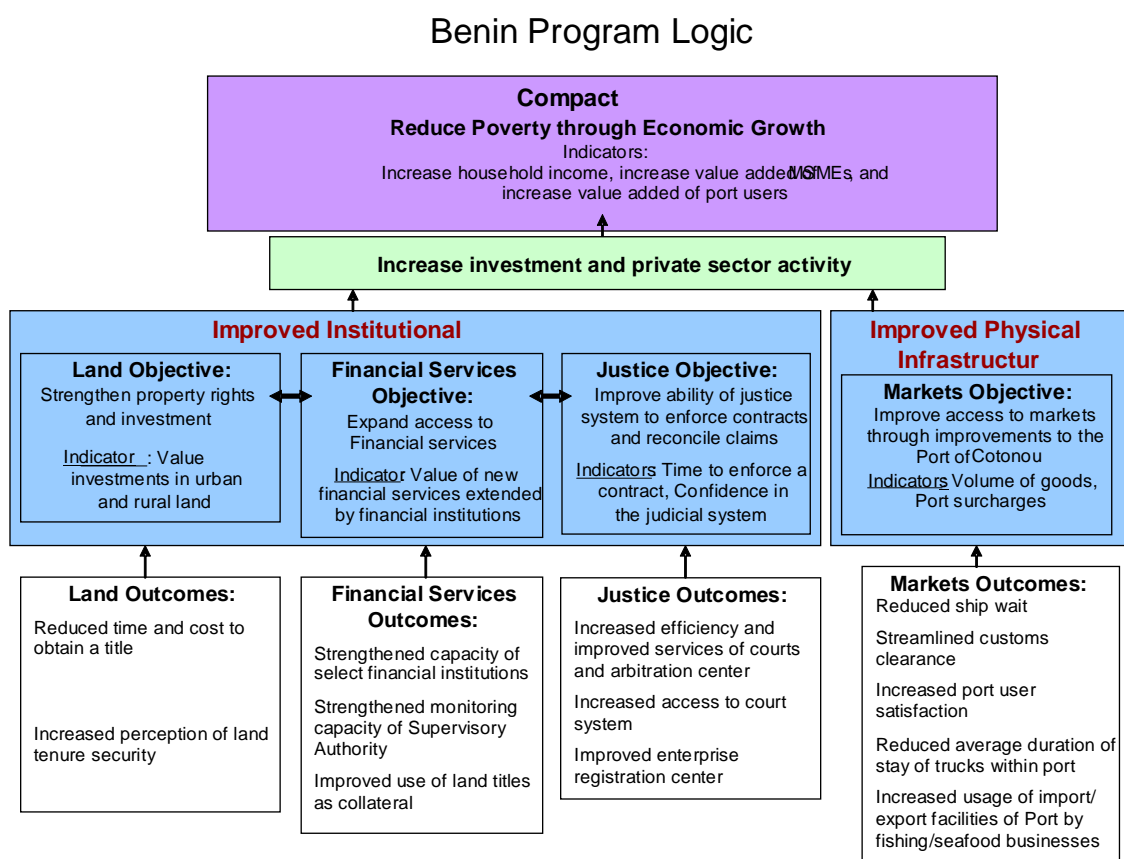
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<sup>1</sup> <http://www.mcc.gov/mcc/bm.doc/policy-051209-mande.pdf>

# 1. SUMMARY OF PROGRAM AND OBJECTIVES

## 1.1 Program Logic

The Benin MCA Program aims to increase economic growth and reduce poverty in Benin by removing constraints to investment in key sectors of the economy. The Program seeks to increase investment and private sector activity by improving key institutional and physical infrastructures through the four Projects: “Access to Land,” “Access to Financial Services,” “Access to Justice,” and “Access to Markets.” Below is a summary of the program logic:



The “Access to Land” Project (\$36,020,000) consists of five activities:

- a) Policy and Legal Reform
- b) Achieving Formal Property Rights to Land
- c) Improving Land Registration Services and Land Information Management
- d) Information, Education and Communication
- e) Support Land Program Coordination.<sup>2</sup>

<sup>2</sup> Numbering of each Project activity in this document corresponds to activity and sub-activity numbering in the Benin Compact and Disbursement Agreement.

The “Access to Financial Services” Project (\$19,650,000) has 2 key activities.

a) Financial Institution and Borrower Capacity Building activity includes two sub-activities:

- i. Demand and feasibility assessments
- ii. Financial innovation and expansion challenge facility (FINECF)

b) Financial Enabling Environment Activity includes five sub activities:

- i. Strengthening of Microfinance Supervision
- ii. Multi-stakeholder forums
- iii. Improvement of regulatory environment
- iv. Credit bureau capacity building
- v. Land titles as collateral for loans

The “Access to Justice” Project (\$34,270,000) has three main activities:

a) Expansion of the Center of Arbitration, Mediation and Conciliation at the Chamber of Commerce (CAMEC)

b) Improvement of the enterprise registration center (*Guichet Unique*)

c) Improved services of courts. This activity supports the following sub activities:

- i. Training of judges and court personnel
- ii. Improvement to the Inspector General service
- iii. Creation of a legal information center
- iv. Establishment of a legal aid fund
- v. Construction of new court houses
- vi. Support to increase efficiency in case management.

The “Access to Markets” Project (\$169,447,000) has 4 major activities:

- a) Feasibility Studies and Assessments
- b) Port Institutional and Systems Improvements
- c) Port Security and Landside Improvements
- d) Waterside Improvements

## **1.2 Program Beneficiaries**

In accordance with the MCC Guidelines for Economic and Beneficiary Analysis<sup>3</sup> beneficiaries are defined as individuals that are expected to experience an income increase due to Compact activities. Each project’s economic rate of return analysis details benefit streams through which beneficiaries should experience increased income.

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<sup>3</sup> <http://www.mcc.gov/mcc/bm.doc/guidance-economicandbeneficiaryanalysis.pdf>

The Land Project is expected to assist rural and urban households in attaining more secure and useful tenure. Households in intervention areas should experience greater land tenure security and gain access to effective and less costly land registration documentation (land titles or certificates) through the systematic registration process. The project will promote key policy reforms and strengthen women's land rights under the new policy framework. These interventions should lead to greater perception of land tenure security and may induce productive investments in land leading to long-term income benefits. Formal land registration documents are also expected to facilitate land transaction, reduce costs of such transactions, and lead to increases in land value.

Beneficiaries of the Financial Services Project will be financial institutions and borrowers, and individuals that own micro, small and medium enterprises (MSMEs), are employed by, or do business with those enterprises. Women will also benefit as they represent almost half (47%) of micro finance clients in Benin. Project interventions should help financial institutions decrease operational costs and improve loan portfolio. The interventions should also facilitate beneficiaries' access to credit as the cost of credit should decrease and financial institutions able to engage in additional lending due to lower default. Improved access to credit should support productive investments and may generate greater profits for MSME owners and enhance employment.

The proposed Justice Project will complement the Access to Land and Access to Financial Services Projects by increasing the speed and likelihood of contract enforcement, and thereby influencing rural households and women's welfare. Through strengthening the legal and judicial environment, ordinary citizens, MSMEs, and all other commercial actors will benefit. Construction of new courts will reduce the average distance to courts. With less distance to travel, it is likely that there will be a rise in the number of litigants and as a result, an increase in the number of people who undertake and benefit from transactions that they would not have undertaken absent the investment in courts. Further, a legal aid fund will be established to support poorer litigants' access to law professionals' legal services and to information materials on processes and rights.

The main beneficiaries of the Markets Project are ship owners, firms operating within the Port and truck operators transporting cargo to and from the Port. In addition, it is expected that the Project will benefit Beninese consumers, rural and urban, through Port infrastructure and institutional improvements. It is anticipated that these improvements will decrease Port congestion, reduce shipment costs and thereby reduce prices of consumer goods and productive inputs imported through the port.

### ***1.3 Economic Rate of Return of the MCA Program and Projects***

Ex-ante estimates of the economic and poverty impact of the proposed Projects are based on the hypothesis that increased private sector activity resulting from these projects will increase the beneficiaries' incomes.

The economic rate of return for the MCA Benin Program was calculated through estimates of the quantifiable benefits of each project relative to each project's cost. The overall estimated economic rate of return to the MCA Program is 23.7% while that for each project is as follows:

- Access to Land: 23%
- Access to Financial Services: 25.8%
- Access to Justice: 24% and
- Access to Markets: 23.6%.

#### ***1.4 Assumptions and Risks***

The program logic for the MCA-Benin Compact is based on evidence and specific assumptions about the linkages between individual Project Activities and the long-term goal of economic growth and poverty reduction. Assumptions informed the economic returns analysis while risks external to Program implementation are likely to affect Program success. To the extent possible, risk mitigation measures will be undertaken to ensure that assumptions are met and that risks are avoided. (In some cases, these risk mitigation measures have been used to condition disbursements of Program and Project funds in the Disbursement Agreement.) As shown in the following table, the Government of Benin and MCC have identified factors that could influence the progress and projected benefits of the Program.



Table 1 *Program Assumptions and Risks*

<b>Access to Land Project</b>
<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>▪ Policy and legal reform will increase efficiency in land registration and thereby reduce cost and time to deliver new or converted land titles.</li> <li>▪ Households with registered land rights will perceive their land tenure to be more secure, thereby inducing private investment on rural and urban land and increasing household income.</li> </ul>
<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>▪ Insufficient political will to implement recommendations of the land policy “white paper” could delay activity implementation and thereby decrease the Project’s expected benefits.</li> <li>▪ Land securitization may open dormant conflicts.</li> <li>▪ Land certificates and titles may not induce increased investment because of slow economic growth or inadequate credit supply in project areas. Pick up costs and low demand for land titles and certificates might undermine the actual take up of these documents.</li> <li>▪ The capabilities of implementing entities might constrain the number of land titles and certificates that can be issued. Slow administrative processes, inefficient management, and competing political pressure might make MCA project requirements a low priority and delay issuance of certificates and titles.</li> </ul>
<p><b>Risk Mitigation</b></p> <ul style="list-style-type: none"> <li>▪ Assessments to inform land policy decisions and implementation strategies under the Policy and Legal Reform Activity have convened stakeholder representative working groups. Educational campaigns and advisory services under the IEC Activity have helped ensure that citizens have a clear understanding of their rights and responsibilities, and can participate fully in the new processes of planning, land securitization and dispute resolution. Stakeholder involvement from the start and continuing through out the life of the Project contribute to increasing public and private officials’ accountability in Project implementation.</li> <li>▪ MCA Benin will build land conflict resolution into the Project. Tenure security should reduce the flow of land disputes brought to courts and reported by commune heads.</li> <li>▪ MCA Benin has worked with implementing entities in the development and adoption of a procedures manual that specifies pick up costs and approaches to minimize burden on project beneficiaries. MCA Benin will provide financial and political support to ensure that implementing entities make certificate and title issuance an appropriate priority.</li> </ul>

## **Access to Financial Services Project**

### **Assumptions**

- Enhanced institutional capacity among financial institutions will lower transaction costs and these savings in transaction costs will be passed on to MSMEs in the form of less expensive credit and other financial services.
- Improved scale and scope of financial services will meet MSME's demand for services.
- MSMEs will use increased credit and other financial tools productively, resulting in increased value-added to MSMEs.
- Financial institutions increase use of land titles as collateral for credit.

### **Risks**

- Lenders may not be able to enforce debts or sell collateral upon client default, thereby eroding the use of land titles as collateral.

### **Risk Mitigation**

- To help ensure the quality of Challenge Facility applications, MCA Benin conducted an extensive information campaign and support for grant application development. In addition, the amount allocated for the Challenge Facility is large enough to catalyze significant investments (such as IT investments), while being flexible enough to accommodate a range of projects and not distort the financial sector.
- Prior to commencing the Challenge Facility, the Project conducted a demand study for financial institutions' and business development services to MSMEs.
- The Justice Project complements the Financial Services Project and will improve the ability of financial services providers to take and enforce security interests in collateral. The Land and Financial Services Projects have conducted policy forums and advocacy that identified and facilitated needed reforms. In addition, the Financial Services Project is encouraging better collaboration between financial institutions and the land administration to eliminate procedural hurdles.

## **Access to Justice Project**

### **Assumptions**

- Increased quantity of court employees and strengthened training for those employees will increase court efficiency, reduce case backlogs, and thereby decrease the cost and time of filing and resolving cases filed at courts (arbitration center and courts of first instance (TPI)).
- More efficient case management will increase firms' confidence in the judicial system.
- Increased access to legal information, to the arbitration center and to the courts of first instance will increase productive commercial transactions among firms involved in production in Benin. Emphasize importance of the LIC for sequencing and communication.
- The Legal Information Center (LIC) will raise awareness and enhance understanding of new legal codes (see below), to facilitate the practical adoption of these codes in the judicial system.

### **Risks**

- There is a risk that GoB does not increase the Ministry of Justice budget and is unable to fund recurrent costs such as staffing and maintenance of infrastructure of current and new courts.
- Corruption of judicial actors and lack of independence of the judiciary system sustains the current uncertainty about legal proceedings and thereby erode Project benefits.
- Confidence is not strong yet in local arbitral institutions in West Africa.
- The Justice sector strike adds to the already significant backlog in case management.
- The Legal Information Center has low administrative importance, is not implemented in a timely manner and fails to complement other Project components and legal reforms.

### **Risk Mitigation**

- A large percentage of the Justice Project funding is to build courthouses. MCA-funded courthouse construction is dependent on improving several codes governing civil, commercial, administrative and social procedure that were passed in 2008.
- Precedent to the courts building activity, the GoB committed sufficient budgetary resources to support new judges and staff to ensure optimal operation of new courts throughout the country.
- Measures to facilitate removal of old cases from the TPI to CAMEC are being implemented. Such measures should reduce case backlog at the TPIs.
- MCA-Benin is supporting awareness campaigns to advocate for increased transparency in and independence of the judicial sector.
- MCC and MCA-Benin are providing technical assistance to ensure implementation of the Legal Information Center.
- Investment in improved courthouses and improved case management should help mitigate the adverse impacts of Justice sector strikes.

## **Access to Markets Project**

### **Assumptions**

- Improved Port infrastructure will reduce shipping costs to port users and thereby increase the flow of goods moving through the Port and value added to port users;
- Improved Port infrastructure will decrease the average duration of stay of trucks at the Port; and
- Strengthened fish inspection facilities will stimulate international/domestic demand for import/export among fishing/seafood businesses.

### **Risks**

- Staff turnover within PAC may delay achievement of more efficient operations and implementation of the improvement program components, particularly the construction elements. New staff will need time to understand procedures and policies.
- The Port has a legacy of corruption.
- Currency fluctuations or negative international economic conditions (adverse terms of trade or changes in trade policies) could affect the cost of inputs and consumer goods to Benin, a net importer. The cost of imports could influence flow of goods moving through the Port and the value added to Port operators.
- Climate risks could destroy relevant infrastructure and increase sedimentation.

### **Risk Mitigation:**

- MCC requires that the Port and MCA-Benin retain an agent construction manager as part of the implementation agreement. This agent will assist in the oversight of contractors and the overall construction process.
- The Compact and Disbursement Agreement require semi-annual independent financial audits of the Port of Cotonou, which include a forensic audit of the Ports' finances.
- The Compact and Disbursement Agreement also call for an independent Port Advisor, who has a permanent office adjacent to the office of the Director General of the PAC, and assists with all private management activities and operational improvements. Indicators have been introduced into the advisor's work plan to track his/her advances in combating corruption at the Port.
- Compact studies supporting the installation of a more streamlined customs management system will contribute to the Port's efficiency and transparency, reducing opportunities for informal payments.
- The Port is already operating above its designed capacity. Initial activities are improving land operations and should increase the efficiency of the existing facilities. Implementation of additional large capital projects is contingent on these improvements. Under the growth forecast, capacity will be fully utilized according to industry standards and should reduce the costs to port users.
- As a condition precedent to Port waterside improvement activities, the Project conducted initial technical studies to develop a series of options for sedimentation control and disposal. Subsequent feasibility and environment impact assessments will assess the best option among the alternatives for sedimentation control and disposal for implementation.

## 2. MONITORING COMPONENT

Monitoring key indicators during implementation helps track Program and Project performance, ensures that the posited economic benefits are being realized, and allows for necessary adjustments to improve Program and Project overall impact.

### *2.1 Indicators, Baselines and Targets*

The tables in Annex 2 to this M&E Plan presents performance indicators for the Program by Project, along with their definitions, sources, baseline and target values. The performance indicators include goal, objective, outcome, output and process level indicators (described below). To monitor poverty impacts from the initial stages of the Compact on relevant segments of the population, the table also identifies whether the indicators can be disaggregated by income, age, and gender.

**Goal-level indicators**, which will measure the results for the overall Program on the intended beneficiaries are:

- **Average household income in Access to Land areas and Access to Financial services areas** (Average annual household income in the land and financial services Project areas, Average annual household income (national level))
- **Profits and wages of MSMEs benefiting from the Access to Financial Services capacity building activity**
- **Profits and wages of the Port of Cotonou users** (Annual profits of Port users, Annual wages of Port users)
- **Increased value of investment in targeted urban and rural land areas**

Under each Project, objective indicators have been identified that measure the specific Project's ultimate result. Outcome indicators measure the intermediate results achieved under each of the Project activities.

Some Project activities, such as land titling and court construction activities target a specific geographic region of the country. For such Projects, information is being collected for those beneficiaries and credible control groups to evaluate the impact of MCA interventions. (See the section on impact evaluation in this M&E plan for more information.)

Implementers have been consulted on output indicators at the beginning of implementation for the related Activity. Output indicators and corresponding targets for each project activity have been approved by MCA-Benin and MCC. This M&E Plan will be updated to reflect changes to those indicators in accordance with MCC Policy on Monitoring and Evaluation.

At the beginning of each compact year, MCC and MCA shall agree on a limited number of **process milestones** for each project with target dates for completion. These milestones shall consist of key bottlenecks, progression on activities such as construction or delivery of services. Process milestones shall be reported in each quarter's indicator tracking table. For later compact years, process milestones may be phased out as process level tracking becomes less critical. As this version of the M&E plan is from the third compact year, process milestones are relevant in a limited number of cases.

MCC has introduced **common indicators** for external reporting across all MCC Compacts. MCC sector experts have developed these indicators to document sector level progress relevant to different project activity types. The common indicators relevant to the MCA-Benin compact were added to this version of the M&E plan, specifically for the Access to Land Project.

## ***2.2 Data Collection and Reporting Frequency***

The data collection timeline and reporting frequency are specified for goal, objective and outcome indicators and are included in Annex 5 to this M&E Plan. The indicator tracking table is the instrument for quarterly reporting to MCC.

## ***2.3 Data Disaggregation by Gender, Income and Age***

The *Summary of Program and Objectives* section of this M&E Plan has provided a general description of participants and beneficiaries. MCA Project Directors are responsible for submitting information on participants disaggregated by gender, age and income level, to the extent that they are individually identifiable, to the M&E Director. This information is public and available on the MCA-Benin web site.

Annex 3 to this M&E Plan identifies which indicators should be disaggregated, to the extent that it is feasible and cost-effective. These disaggregations shall be made available upon request and will not be reported in the quarterly indicator tracking table.

## ***2.4 Data Sharing***

In support of MCC's policy for promoting transparency and publically disseminating projects results, all studies, surveys and data collected through MCA-Benin funding should be made publically available, following the Guidelines for Public Use Data at MCC (forthcoming) and in agreement with relevant MCA Benin partners.

## ***2.5 Data Sources***

One important source for the goal-level household income data is the national statistics agency, INSAE. Along with several other donors, MCA Benin has financed the 2006-2007 baseline household survey (*L'Enquête Modulaire Intégrée sur les Conditions de Vie-EMICoV*) through a direct contract with INSAE. Compact funds will also support INSAE for follow up household surveys in November and December of 2009, and in 2011. These surveys will capture household income data as well as information on indicators such as investment in urban and rural land, perceptions of land tenure security, and land disputes.

The **Business Census** provides detailed information on revenue and profit levels and general characteristics of businesses in Benin. This census included both formal and informal businesses, but not businesses that lack a fixed location. Approximately 200,000 businesses were surveyed and the census collected data on business revenue, profits, number and types of employees, and constraints to business operations. While this census will provide baseline information on profits and revenues experienced by beneficiaries of the Access to Financial Services Project, data relevant to the Access to Land, Access to Justice and Access to Markets Projects have been collected as well. The initial census was carried out from October to December 2008. A smaller

follow up survey is planned for 2010/2011, to capture impacts on beneficiaries of the Access to Financial Services Project and relevant comparison groups.

MCA has carried out a number of **sector studies** through qualified consultants to address gaps in the collection and reporting of data relevant to projects' performance indicators.

**Port user satisfaction study** captures information from all port users to convey what economic benefits are provided and are augmented through the Access to Markets project. This study consisted of a census of all the port's economic actors and a survey on a random sample of port users. For purposes of this baseline study, port users included ship owners, firms operating within the Port and truck operators. Using both administrative data and direct survey methods, this study captured the container ship traffic and volume of trade; costs and times of current procedures at port (for example average time to clear customs); port users business revenue, profits and employment; time required for trucks to cross the port areas; general user satisfaction levels; number and value of thefts, and corruption in the port's operation. The baseline study occurred in 2008 and follow up study is planned for 2009 and 2011.

**DDET indicator study** collected data on key Access to Land performance indicators and contributed to improving DDET's data collection and reporting. This study used both administrative data and interviews with individual applicants to determine the costs and time involved in obtaining a land title through various approaches in both urban and rural settings. The study described each documentation and transaction required to obtain the land title, as well as the time and the cost involved. From the pool of land title applicants over the past 3 years, a random sample of applicants (stratified by rural/ urban, and title acquisition approach) was interviewed about all transactions and costs incurred for obtaining their title. Follow up studies are planned for 2009 and 2010.

The **Justice Sector Indicator study** focused on improving data collection from the Business Registry Center (CFE - Centre de Formalite des Entreprises). CFE's administrative data informs the Access to Justice performance indicators on the "number of days to start a business" and the "number of new businesses registered in Benin". This study helped develop the methodology for calculating these indicators and built a database for tracking such information. The initial study conducted in 2008 provided data for the baseline and expected annual performance. Follow up studies are planned for 2009 and 2010.

## ***2.6 Data Quality Reviews***

Data quality reviews are used to verify implementation units' reported data and any survey data financed by or used to monitor the MCA-Benin Program. These reviews ensure that valid, reliable and timely data are collected for program monitoring and evaluation. Data quality reviews allow also to verify the quality of performance indicators at all levels across different implementation units and reporting institutions.

### **Internal Data Quality Reviews**

All actors implementing Project activities are responsible for transmitting reliable and accurate data to Project Directors, who then submit it to the Director of Monitoring and Evaluation. MCA-Benin conducts regular data quality reviews through various methodologies such as

document review, random site visits and interviews with entities implementing and reporting on each of the Projects. These reviews are supplemented by reviews on data collection methodology or cross referencing with similar data sources, as desired by MCA-Benin or requested by MCC.

The national EMICoV survey incorporated data quality reviews during the three key survey stages: enumeration, data collection, and data treatment:

- During enumeration, controllers checked the precision of the survey lists
- During the data collection, a controller verified that enumerators were in the field, completing questionnaires, and that the data was coherent. Supervisors reviewed the work of controllers before forwarding the completed questionnaires to Cotonou to be entered in a database.
- During the data entry/data capturing, double entry was used to reduce errors, and INSAE performed logic checks on the data. Where questionnaires have been incorrectly completed or fail the logic checks, they were returned to the field and enumerators were asked to correct them.

## **External data quality reviews**

An independent, third-party entity is contracted to formally review the quality of all data collected through this M&E Plan to ensure that it is reliable, valid, and submitted in a timely manner.

The first data quality review was executed in 2007 and a second review was conducted in 2008. Both data quality reviews identified strategies for improving data quality. MCA Benin has already implemented recommendations from the first data quality review. Recommendations from the second data quality review have been submitted to MCC for clearance, as required in MCC Policy on Monitoring and Evaluation. Once MCC and MCA have agreed on the appropriate response to the data quality review findings, relevant recommendations shall be implemented and the final data quality report shall be posted on the MCA-Benin web site. A future data quality review will be conducted in 2010.

## ***2.7 Progress Reports***

MCA-Benin reports quarterly on the progress of each of the four Projects using the indicator tracking table and the quarterly narrative report (included as part of the quarterly disbursement package). While these instruments serve to inform MCC of quarterly progress, MCA also publically disseminate performance information on a quarterly basis through the MCA-Benin website. The MCA Benin compact year runs from October 1<sup>st</sup> to September 30. The first reporting quarter (Q1) ended on December 31, 2006.

**Quarterly Narrative Reports** are submitted each quarter along with the disbursement request and should correspond to the MCC guidance on quarterly narrative reports.

An **Annual Supplement** is submitted following the end of each US fiscal year (October 1-September 30). The Annual Supplement provides a comprehensive overview of progress toward



achieving Compact goals and objectives over the preceding year. The Annual Supplement also provides additional information on the consultative process, donor coordination, lessons learned and best practices.

At the program conclusion, MCA Benin will prepare a **Program Completion Report (PCR)** as part of its closeout procedures. The PCR shall be prepared according to guidelines provided by MCC taking into consideration, among other things, the objectives and content of the Impact Evaluation. MCC guidance on the PCR is forthcoming.

All reports should be posted on the MCA-Benin website.

### **3. EVALUATION COMPONENT**

#### ***3.1 Interim Evaluation***

An interim evaluation was conducted during the third compact year. This evaluation will analyze the level of completion of various activities, progress achieved on all of the indicators, and implementation of the M&E plan. This will allow for necessary corrections to be made in order to achieve the expected results. Performance data shall also be contextualized in Benin's current economic and political circumstances to help identify constraints and challenges to be addressed.

In addition to quantitative data obtained from EMICoV and other surveys, the interim evaluation will be based on interviews and beneficiary focus groups. This qualitative assessment will allow for a better understanding of perceptions of individuals (by gender, income and age), firms, and actors in various sectors regarding the program's implementation and interim results.

#### ***3.2 Impact Evaluation***

Ex-ante estimates of the economic and poverty impact of the proposed Projects are based on the hypothesis that increased private sector activity resulting from these projects will increase the incomes of beneficiaries. A rigorous impact evaluation seeks to test this main hypothesis and the causal links underlying it, and provide information on the cost-effectiveness of individual interventions.

MCC has contracted a third-party, independent impact evaluation specialist to design, implement and oversee a rigorous impact evaluation of the MCA-Benin Program. Concurrent to the development of this M&E Plan, a team of evaluation specialists has worked with MCC staff and MCA-Benin to develop an evaluation methodology and implementation plan to assess the impact of the following Projects:

- Access to Land
- Access to Financial Services;

Impact evaluation implementation activities are taking place throughout the life of the Compact and are designed to minimize disruption to Program implementation. Annex 6 details the impact evaluation methods for each project.

#### ***3.3 Ad-hoc evaluations and special studies***

MCC and MCA-Benin can conduct ad-hoc evaluations or special studies during the life of the Compact. These can concern the Projects or the Program as a whole. For the Access to Markets Project, an evaluation study is planned to determine the best methodology for measuring the port surcharges due to delay and examine Project-related changes on such measures. The evaluators are independent and recruited in a competitive manner.

A **Social Audit** was conducted in 2009 to examine Benin's Civil Society's perspective of the MCA Benin compact. This study was conducted by Social Watch (a Beninese NGO) and aimed to gather civil society feedback on issues of transparency and effectiveness of the program's implementation. Issues examined included: transparency in financial management, effectiveness of the consultation mechanisms, and feedback from final beneficiaries on how projects are impacting them and their opinion of the MCA Benin program. Social Watch conducted document analysis, focus groups, and key informant interviews with Implementing Entity Partners, service providers, partner Ministries and final project beneficiaries.

**Implementing Entity Satisfaction Study** analyzed how effectively MCA Benin is working with its implementation partners. It specifically analyzed the satisfaction level of implementing entities working with MCA Benin, such as of partner agencies (ministries, etc), service providers, and final beneficiaries. It included a structural analysis of the nature of each partner's relationship with MCA. The study examined partners' understanding and familiarity with MCA Benin's procedures (including contracting details for service providers). A survey was conducted of implementation partners, final beneficiaries of each project, local authorities. The initial study was conducted in 2008.

The **Challenge Facility Demand Study** examined characteristics of micro, small and medium size enterprises in Benin. The objective was to determine their involvement in the financial sector, use of credit for investment purposes, access and demand for credit. This study also captured information on business revenues and profits, as well as perspectives of corruptions and bottlenecks related to the justice sector. The methodology included a survey of informal and formal businesses, with 40% of the sample as informal businesses owned by women. This study was completed in 2007.

#### **4. ADMINISTRATION AND MANAGEMENT OF M&E**

The Director of Monitoring and Evaluation works under the supervision of MCA-Benin's National Coordinator and is the guarantor for all aspects of monitoring and evaluation. In addition to the M&E Director, Project Directors of the four Projects (Access to Land, Access to Financial Services, Access to Justice, and Access to Markets) and their respective teams are responsible for fulfilling their reporting requirements, as coordinated with the M&E division. In addition, external agencies responsible for submitting M&E information to MCA-Benin have appointed M&E focal points (e.g. Ministry of Justice, PAC, Chamber of Commerce, Customs, etc). An M&E management information system is in place to facilitate the exchange of information in all directions.

#### **4.1 *M&E Director Responsibilities***

The MCA-Benin Monitoring and Evaluation Director is responsible for:

- Establishing the ongoing monitoring and evaluation team;
- Developing and supervising an ongoing monitoring and evaluation strategy;
- Ensuring that M&E Plan is modified and updated with improved information (updating indicators, baselines and targets upon the receipt of information from technical studies and in-take surveys), where any indicator, baseline and target revisions must be approved by MCC and follow revision procedures noted below;
- Ensuring that management staff and implementing entities are receiving adequate support to execute their M&E responsibilities (providing monitoring and evaluation training of MCA Management staff and program implementers);
- Establishing the data collection, analysis, and reporting system for the overall program;
- Overseeing data collection from all sources (e.g. INSAE, PAC, DDET) and the design of a data management system;
- Participating in the monitoring of performance of individual program components directly through project visits, reviewing project reports, and reviewing secondary data and analysis;
- Preparing and conducting procurement for various M&E contracts (Management Information System, data quality reviews etc.)
- Organizing and overseeing data quality audits;
- Developing a schedule for interim program evaluations and process for selecting independent evaluators;
- Cooperating with third party Impact Evaluation specialist(s) for the design, implementation and dissemination of the interim and final Program Evaluation;
- Publishing periodical reports of the ongoing program monitoring and evaluation that are submitted to MCA-Benin's Board and MCC; and making them publicly available on the MCA-Benin website;
- Coordinating regular public outreach to stakeholders, NGOs, and other elements of civil society regarding program design and impact, as a part of the larger ongoing consultative process.
- Developing and overseeing the M&E budget (Annex 1 provides a breakdown of the M&E budget)

#### **4.2 *Management Information System***

MCA-Benin has contracted a firm to develop a database to manage all of the M&E information requirements. The information system tracks data on activity-level progress according to work plan chronologies, progress by geographic area of the Program and/or Projects, and progress by implementing entity.

This new system allows for:

- regular and quick flow of data between the various MCA-Benin divisions and that of Monitoring & Evaluation;
- data collection on the evolution of the activities and all of the indicators;
- compatibility with existing and relevant data bases (e.g. INSAE, PAC, MAEP, MEHU, Cellule de Microfinance, etc);

- production of clear, relevant and accessible status reports;
- receipt of and response to information requests;
- updated availability to all stakeholders of current information on the program's progress for compliance, management and decision tracking.

MCA Benin's Monitoring and Evaluation information system aims to facilitate annual information updating, reporting and adoption/involvement of all partner organizations in this system. MCA Benin launched a study to help modernize the monitoring of public investment projects of certain ministries working with the MCA Program and other relevant support ministries. This study builds on MCA Benin lessons in M&E, effective practices and appropriate technology, so as to transmit these lessons to relevant ministries and lead to improved monitoring and reporting. This study's diagnostic phase was completed in 2009.

#### ***4.3 Revisions to the M&E plan***

Any changes proposed for the M&E plan, including indicators, definitions and targets, must be approved by MCC and be in accordance with MCC Policy on Monitoring and Evaluation. Any substantial changes to the M&E plan must be appropriately justified, documented, and approved by the MCA Benin Board and MCC.

**Annex 1 DRAFT Benin M&E Budget**

	Year 1	Year 2	Year 3	Year 4	Year 5	Total US\$ (millions)
<b>Monitoring and Evaluation Manuals</b>	0.001					0.001
<b>Monitoring and Evaluation training for MCA-Benin staff and implementing entities</b>	0.01					0.01
<b>Database and Information Management (networking, design, training and implementation)</b>	0.06	0.18	0.17	0.07	0.07	0.55
<b>National Data Gathering Surveys</b>						
Follow up Integrated Survey of Living Standards (Enquête Modulaire Intégrée sur les Conditions de Vie des ménages au Bénin—EMICOV)		0.54	0.54	0.54	0.74	2.36
<b>Special Project Surveys/Studies</b>						
Special surveys under the Access to Financial Services Project		0.07	0.07	0.06	0.08	0.28
Special surveys under the Access to Markets Project	0.04	0.07	0.07	0.06	0.08	0.32
Baseline data collection for the study of the impact of port improvements on consumer welfare	0.02					0.02
Baseline data collection on value added to port users, port user satisfaction, and number of crimes on the port	0.03					0.03
Special surveys under the Access to Justice Project		0.11	0.11	0.1	0.11	0.43
<b>Monitoring and Evaluation Reports</b>						
Reports on Monitoring Indicators (quarterly and annual)	0.10					0.10
Site visits (quarterly)	0.08					0.08
Study tour	0.02	0.11	0.1	0.09	0.11	0.43
<b>Mid Term and Final Impact Evaluations (data collection and analysis)</b>	0.10	0.18	0.18	0.14	0.23	0.83
<b>Third Party Data Quality Reviews</b>	0.07	0.18		0.18		0.43
<b>Outreach Meetings</b>	0.09					0.09
<b>Logistical Support</b>	0.05					0.05
<b>Monitoring and Evaluation Total</b>	<b>0.67<sup>1</sup></b>	<b>1.44</b>	<b>1.24</b>	<b>1.24</b>	<b>1.42</b>	<b>6.011</b>

1. The Government of Benin's contribution to MCA funded year 1 EMICoV activities and therefore is not included in the above budget. As a result, M&E Plan budget for year one is lower than that described in the Compact.

## ANNEX 2: Performance Indicators- Definitions, sources, reporting frequency, units, baseline and target values

### Compact

Goal/ Objective	Indicator	Definition	Source	Reporting frequency	Unit	Classification type	Baseline value	Targets					
								Year 1	Year 2	Year 3	Year 4	Year 5	End of compact target
<b>Increased annual household income in areas targeted by Access to Land and Access to Financial Services projects</b>	Annual average income of households in the intervention areas of the Access to Land and Access to Financial Services Projects	Annual average revenue and consumption level per household in the Project land/financial services areas	EMICoV	2006, 2009 and 2011	Constant US \$	Level	1,457 (2006)					1,559	1,559
	Annual average income of households in non benefiting areas <sup>4</sup>	Annual average income level per household in the non benefiting land/financial services project	EMICoV	2006, 2009 and 2011	Constant US \$	Level							
<b>Increased value added to MSMEs</b>	Increased profits of MSMEs receiving benefit from the "Access to Financial Services Project" capacity building activity	Additional profits of MSMEs that are clients of institutions benefiting from the Financial Innovation and Expansion Challenge Facility	EMICoV Data, Challenge Facility monitoring data	2006, 2009 and 2011	Constant US \$ Millions	Incremental	0					2	2

<sup>4</sup> The baseline and target values for non intervention areas will be determined once the final Challenge Facility beneficiary projects are selected and the corresponding intervention and non intervention areas are determined.

	Increased wages of MSMEs receiving benefit from the "Access to Financial Services Project" capacity building activity	Additional wages of MSMEs that are clients of institutions benefiting from the Financial Innovation and Expansion Challenge Facility	EMICoV – Challenge Facility monitoring data	2006, 2009 and 2011	Constant US \$ Millions	Incremental	0					3	3
<b>Increased value added to port infrastructure improvements</b>	Profits of port users	Total profits of Port users	Survey on Port of Cotonou	2008, 2009, 2011	Constant US \$ Millions	Incremental	34 (2008)					52	52
	Wages of port users	Total wage bill of Port users	Survey on Port of Cotonou	2008, 2009, 2011	Constant US \$ Millions	Incremental	251 (2008)					269	269

## ACCESS TO LAND PROJECT

Objective	Indicator	Definition	Source	Reporting frequency	Unit	Classification type	Baseline value	Targets					
								Year 1	Year 2	Year 3	Year 4	Year 5	End of compact target
<b>Increased investment in rural and urban land</b>	Percentage of households investing in targeted rural land parcels	Percentage of households with at least one member making financial or in kind investment on rural land parcels in PFR intervention areas	EMICoV	2006, 2009 and 2011	%	Level	43 (2006)			45		48	48
	Percentage of households investing in rural land parcels in non intervention areas	Percentage of households with at least one member making financial or in kind investment on rural land parcels outside of project areas <sup>5</sup>	EMICoV	2006, 2009 and 2011	%	Level	38 (2006)			40		42	42
	Percentage of households investing in targeted urban land parcels	Percentage of households with at least one member making financial or in kind investment on urban land parcels in intervention area	EMICoV	2006, 2009 and 2011	%	Level	40 (2006)			41		45	45

<sup>5</sup> These non intervention areas are the control villages selected as part of the impact evaluation lottery. The non intervention urban parcels include urban areas where the conversion of habitation permits to land titles is not taking place.



	Percentage of households investing in non intervention urban parcels	Percentage of households with at least one member making financial or in kind investment on urban land parcels in non intervention area	EMICoV	2006, 2009 and 2011	%	Level	32 (2006)			33		35	35
<b>Outcomes</b>													
<b>Reduced costs to obtain a land title</b>	Average cost to obtain a new land title through the on-demand process	Average cost to obtain a new land title through existing titling process (on-demand- for parcels with no habitation permit)	DDET administrative data and DDET indicator study	Annual	F CFA	Level	584,127				292,064	81,778	81,778
	Average cost required to convert occupancy permit to land title through the Project's systematic process	Average cost to obtain a land title through occupancy permit conversion in project areas benefiting from project's systematic conversion process	DDET and National Commission for PH-TF conversion administrative data or through independent survey data	Annual	F CFA	Level	150,000				81,000	22,500	22,500
<b>Improved take up of new land titles</b>	Take up rate of new land titles	Share of new titles claimed by final beneficiary each year relative to the total number of titles issued per year	DDET administrative data	Annual	%	Cumulative	10				30	50	50

<b>Increased perception of land tenure security</b>	Share of respondents perceiving land security in PH-TF and PFR areas	Share of respondents in areas benefiting from PH-TF conversion or PFR that perceive increased land security	EMICoV data	2009 and 2011	%	Level	29 (2006)			32		34	34
<b>Outputs</b>													
<b>Policy and Legal Reform</b>	Number of preparatory Studies Completed	Total number of assessment reports informing land policy completed in the MCA Benin policy and legal reform framework	MCA Access to Land Project	Annual	Number	Cumulative	0		7				7
	Number of Legal and Regulatory Reforms Adopted	Adoption of the new land code text	MCA Access to Land Project	Annual	Number	Cumulative						1	1
<b>Achieving Formal Property Right to Land</b>	Number of new land titles obtained by transformation of occupancy permit	Total number of new land titles obtained by conversion of an occupancy permit, per year	DDET – National Commission PH - TF	Annual	Number	Incremental	1,453				15,000	15,000	30,000

<b>Achieving Formal Property Right to Land</b>	Number of urban parcels mapped <sup>6</sup>	Total number of urban parcels surveyed as in the PH-TF conversion project areas	DPAF	Annual	Number	Cumulative	0				15,000	15,000	30,000
	Number of permanent stations installed	Total number of stations with CORS/GNSS equipment installed	DPAF	Annual	Number	Cumulative	0			7			7
	Stakeholders Trained	Number of public and private surveyors trained in GPS use in the PFR implementation framework	DPAF	Annual	Number	Level	0			50	50	50	50
	Number of Stakeholders reached	Number of heads of households participating in project activities <sup>7</sup>	DPAF/ GTZ	Annual	Number	Incremental							
	Number of PFR established within MCA Benin implementation	Total number of PFR completed in targeted villages, during each year	GTZ IS - DPAF	Annual	Number	Incremental	0				120	180	300

<sup>6</sup> This indicator is being tracked in the M&E plan as part of MCC's requirements for common indicator reporting.

<sup>7</sup> This indicator is being tracked in the M&E plan as part of MCC's requirements for common indicator reporting. It is not feasible to set targets for this indicator.

Number of land certificates issued within MCA-Benin PFR implementation	Total number of land certificates issued within MCA-Benin implementation per year	GTZ IS - DPAF	Annual	Number	Incremental	0				30,000	45,000	75,000
Rural hectares formalized	Number of hectares of rural land with certificates that provide formal government recognition of ownership and/or use rights <sup>8</sup>	GTZ IS - DPAF	Annual	Number	Incremental	0				132,000	198,000	330,000
Number of communes benefiting from capacity building plans within MCA-Benin implementation	Total number of communes that have benefited from capacity building for PFR implementation	GTZ IS - DPAF	Annual	Number	Incremental	0			10	14	16	40
Number of village land management sections installed within MCA Benin implementation	Number of SVGF started, per year, in communes benefiting from PFR	GTZ IS - DPAF	Annual	Number	Incremental	0		80	110	110		300
Equipment purchased	Value of equipment procured by MCA Benin for Access to Land project	MCA Benin procurement	Quarterly	US \$ million	Incremental	0			1.535	4.097	.501	6.133

<sup>8</sup> This indicator is being tracked in the M&E plan as part of MCC's requirements for common indicator reporting. The targets and actual have been established with estimates of 200 parcels per village and an average parcel size of 5.5 hectares. The direct measure of rural hectares formalized may not be available in Benin.

<b>Improve Land Registration Services and Land Information Management</b>	Number of communal service offices opened	Number of communal services of land information management opened	DDET	Annual	Number	Incremental	0			12	12		24
	Number of prefecture land registration offices opened	Number of prefectural services of registration and land information management opened	DDET	Annual	Number	Incremental	0			6	6		12
	Number of communes with new cadastres	Total number of communes with new cadastres	Institut Géographique National (IGN) - DPAF	Annual	Number	Incremental	0			3	6	3	12
	Number of operational land market information systems	Number of operational land market information systems	MCA Access to Land Project	Annual (Y5)	Number	Incremental	0					12	12

## ACCESS TO FINANCIAL SERVICES PROJECT

Objective	Indicator	Definition	Source	Reporting frequency	Unit	Classification type	Baseline value	Targets					
								Year 1	Year 2	Year 3	Year 4	Year 5	End of Compact
<b>Expanded access to financial services</b>	Value of credits outstanding at Micro Finance Institutions at the national level	Total value of all outstanding loans granted by all MFIs authorized by CSSFD	CSSFD	Annual	Millions of FCFA	Level	67,091 (2005)			75,541		88,697	88,697
	Value of savings at Micro Finance Institutions at the national level	Total value savings at MFIs authorized by CSSFD	CSSFD	Annual	Millions of FCFA	Level	38,269			57,404		68,885	68,885
	Number of loan recipients of Micro Finance Institutions at the national level	Total number of individual clients or businesses with an outstanding loan from MFIs authorized by CSSFD	CSSFD	Annual	Number	Cumulative	122,769			141,184		153,461	153,461
	Number of savers among Micro Finance Institutions at the national level	Total number of individual clients or businesses with savings deposited at MFIs authorized by CSSFD	CSSFD	Annual	Number	Cumulative	46,947			61,031		70,421	70,421

<b>Outcomes</b>													
<b>Strengthened capacity of financial institutions</b>	Average portfolio-at-risk > 90 days of microfinance institutions (MFIs) participating in the Challenge Facility	Average share of all outstanding loans with one or more installments 90 days overdue, among MFIs participating in the Challenge Facility	CSSFD	Biannual	%	Level	5.9			4.1	3.5	3	3
	Average portfolio-at-risk > 90 days of microfinance institutions (MFIs) at the national level	Average share of all outstanding loans with one or more installments 90 days overdue, among MFIs supervised by CSSFD	CSSFD	Biannual	%	Level	11 (2005)		10	9	9	6	6
	Operational self-sufficiency of participating MFIs	Share of costs covered by operating revenues among MFIs participating in the Challenge Facility (annually) Operating revenue/(financial expense + loan loss provision + operating expense)	CSSFD	Annual	%	Level	85			90	95	100	100
	Operational self-sufficiency of MFIs at the national level	Share of costs covered by operating revenues among all MFIs (national level), annually	CSSFD	Annual	%	Level	103			106	109	112	112
<b>Strengthened monitoring capacity of Supervisory Authority</b>	Number of MFIs inspected by CSSFD	Total number of MFIs who have received an inspection mission in the last year	CSSFD	Annual	Number	Incremental	27 (2005)		35	40	45	50	50

<b>Strengthened monitoring capacity of Supervisory Authority</b>	Systemic risk coverage rate by inspections	Share of the risks associated with inspected MFIs relative to risk of all MFIs supervised by CSSFD	CSSFD	Annual	%	Level	63			76	83	90	90
	Sanction application rate following inspections	Share of sanctions implemented compared to total number of sanctions noted following inspections	CSSFD	Annual	%	Level	0		25	40	60	70	70
	Average time for treating an application for MFI authorization	Average amount of time for the CSSFD to process and transfer authorization applications, with its recommendations, to the BCEAO, the Banking Commission and the Minister of Finance	CSSFD	Annual	days	Level	90		60	50	40	30	30
	Rate of MFI applications authorized by CSSFD	Percentage of MFI applications authorized, relative to MFI applications	CSSFD	Annual	%	Level	96		96	98	99	100	100



<b>Improved use of land titles as collateral</b>	Number of new loans guaranteed with land titles	Total number of title-based loans, per year	DDET and ad hoc surveys	Annual	Number	Level	218			250	300	350	350
<b>Outputs</b>													
<b>Strengthened capacity of financial institutions and borrowers</b>	Number of institutions receiving grants through the Facility	Number of institutions receiving grants through the Challenge Facility	MCA Access to Financial Services project	Biannual	Number	Incremental	0			40	15		55
<b>Financial enabling environment</b>	Number of financial institutions trained on use of land titles as collateral in loans or refinancing	Total number of institutions trained on the use of land titles as a collateral for new credit or refinancing, per year	MCA Access to Financial Services project	Biannual	Number	Incremental	0			20	20	20	60
	Number of MFI audits conducted	Total number of MFI audits conducted each year	MCA Access to Financial Services project	Biannual	Number	Incremental	0	5	10	10	10	5	40
	Number of stakeholder fora held	Number of fora held by stakeholders in the financial services sector, each year	MCA Access to Financial Services project	Biannual	Number	Incremental	0		2	3	3	2	10

## ACCESS TO JUSTICE PROJECT

Goal/ Objective	Indicator	Definition	Source	Reporting frequency	Unit	Indicator classification type	Baseline value	Targets					
								Year 1	Year 2	Year 3	Year 4	Year 5	End of compact target
<b>Objective</b>													
<b>Improved capacity of the justice system to enforce contracts and reconcile claims</b>	Average time required to enforce a contract	Number of days associated with filing payment dispute in court until moment of actual payment	Doing Business Report (World Bank )	Every 2 years	Days	Level	720 (2006)			470		370	370
	Average time required for TPI to reach a final decision on a case	Average time between court case filing and final court decision on the case	Access to Justice specific survey	Annual	Months	Level	9 (2006)			9	6	3	3
	Average time required for Court of Appeals to reach a final decision on a case	Average time between case entry at Court of Appeals and final court decision on the case	Access to Justice specific survey	Annual	Months	Level	23 (2006)			20	17	15	15
	Percent of firms reporting confidence in the judicial system	Percent of firms surveyed who agree with statement "I have confidence in the judicial system"	Business Census	Every 2 years	%	Level	35			47		60	60

Outcomes													
<b>Increased efficiency and improved services of courts and arbitration center</b>	Number of cases processed by the Arbitration center	Number of cases processed by the Arbitration center each year	CAMeC administrative data/CCIB	Biannual	Number	Incremental	0				50	100	150
	% of cases resolved in TPI per year	Share of number of cases resolved compared to total outstanding stock of cases filed at TPI	DPP/ Justice Study & DPP/Justice administrative data	Every 2 years	%	Level	38			45		50	50
	% of cases resolved in Court of Appeals per year	Share of number of cases resolved compared to total outstanding stock of cases filed at Court of Appeals,	DPP/ Justice Study & DPP/Justice administrative data	Annual	%	Level	15			18	21	24	24
<b>Improved access to the court system</b>	Average distance required to reach TPI	Distance between village and jurisdictional TPI	Justice Ministry administrative data	Annual	Km	Level	36 (2002)					12	12
<b>Improved enterprise registration center</b>	Number of enterprises registered through the business registration centers	Annual number of enterprises registered with Chamber of Commerce Guichet Unique central or satellite offices	CCIB administrative data	Quarterly	Number	Incremental	1,822 (2005)			1,400	1,000	500	2,900
<b>Improved enterprise registration center</b>	Average time to register a business	Number of days associated with registering enterprises with Chamber of Commerce Guichet Unique central or satellite offices	CFE administrative data/CCIB	Quarterly	Days	Level	37			5	3	2	2
	Average time to register a sole proprietorship enterprise with CFE	Number of days associated with registering enterprise	Administrative data/CCIB	Quarterly	Days	Level	39			5	3	2	2

Output													
<b>Arbitration Center</b>	Number of businesses accessing CAMEC services	Number of businesses accessing CAMEC services (incremental)	CAMEC	Quarterly	Number	Incremental	0			50	200	250	500
<b>Training of judges and court personnel (Courts activity)</b>	Number magistrates trained	Number of magistrates who receive at least one training per year	DPAJ	Quarterly	Number	Level	38		100	100	100	100	100
	Number of court clerks trained	Number of court clerks who receive at least one training per year	DPAJ	Quarterly	Number	Level	60		100	100	100	100	100
<b>Inspector general services</b>	Number of court inspections performed	Number of court inspections per year	Inspector General and Justice Ministry	Quarterly	Number	Incremental	10			12	20	28	60
<b>Inspector general services</b>	Average number of inspections per court per year	Average number of inspections per court each year	Inspector General and Justice Ministry	Annual	Number	Level	1			1	2	2	2
<b>Legal information center (courts activity)</b>	Number of users of the legal information center	Number of legal information center users over the course of one year	DPP/Justice	Quarterly	Number	Incremental	0					1,000	1,000
<b>Institutional and technical support to CAMEC activity launch</b>	Number of IEC sessions hosted by CAMEC	Number of information sessions hosted by CAMEC	CAMEC	Quarterly	Number	Incremental	0			2	1	2	5

## ACCESS TO MARKETS PROJECT

Goal/ Objective	Indicator	Definition	Source	Reporting frequency	Unit	Indicator classification type	Baseline value	Targets					
								Year 1	Year 2	Year 3	Year 4	Year 5	End of compact
<b>Objectives</b>													
<b><i>Increase efficiency and volume of goods traffic through port</i></b>	Volume of merchandise traffic passing through the Port of Cotonou	Total volume of exports and imports passing through Port of Cotonou	PAC administrative data	Quarterly	Millions of metric tons	Level	4.1 (2004)	4.9	5.4	5.6	5.9	6.3	6.3
<b>Outcomes</b>													
<b><i>Reduced ship wait time</i></b>	Bulk ship carriers waiting times at port <sup>9</sup>	Average number of days bulk carrier must wait at anchor (before proceeding to berth) and at berth	PAC administrative data	Biannual	Days	Level	7			6	5	3	3
<b><i>Streamlined customs clearance procedures</i></b>	Average time to clear customs	Time associated with moving merchandise through customs procedures	Port user satisfaction study	Annual	Days	Level	4 (2006)			3	2	1	1
<b><i>Increased Port user satisfaction</i></b>	Port user satisfaction level	Share of port users satisfied with Port operations	Port user satisfaction level	Annual	%	Level	50 (2006)			65	70	75	75
<b><i>Reduced average duration of truck stay in Port</i></b>	Average duration of stay of trucks at Port	Average duration of stay of trucks at Port	Specific Access to Markets project study	Annual	Hours	Level	24 (2006)			18	12	7	7

<sup>9</sup> As it is unclear whether the construction activity related to this indicator will occur, this indicator may be removed in the future.

<b>Increased use of import/export facilities of Port by fishing/seafood businesses</b>	Volume of seafood exports processed through Port of Cotonou <sup>10</sup>	Total volume of seafood exports processed through Port of Cotonou	Direction des Pêches administrative data/ FAO	Annual	Tons	Incremental	342 (2006)			367	524	936	1827
<b>Increased port security</b>	Annual number of theft cases	Annual number of thefts within the Port area	Port gendarmerie	Quarterly	Number	Level	40	40	30	20	20		20
	Internal port circulation time	Average time required for trucks to exit port after loading is completed	PAC administrative data	Annual	Hours	Level	2	2	1	1		0.5	0.5
<b>Waterside improvement</b>	Container ship Waiting time at berth	Average container ship wait time at berth	PAC administrative data	Annual	Days	Level	2					1	1
	Container carriers Waiting time at anchor	Average container ship wait time at anchor	PAC administrative data	Annual	Hours	Level	16				6	4	4
<b>Outputs</b>													
<b>Port Security and land side improvement</b>	Port meets ISPS standards	Port meets ISPS standards	PAC administrative data	Annual	Date	Date	NA			September 2009			September 2009
<b>Port Institutional and Systems Improvement</b>	Execution rate of Training Plan	Percent of training plan executed	Access to Markets project	Annual	%	Level	0		100	100	100		100

<sup>10</sup> As it is unclear whether the Fish inspection center (BOC) will be constructed as part of the Access to Market's project, this indicator may be removed in the future.

## ANNEX 3: Indicator Disaggregation

Indicator	Indicator Definition	Disaggregation
<b>Goal- Compact Level</b>		
Annual average income of households in the intervention areas of the Access to Land and Access to Financial Services Projects	Annual average revenue and consumption level per household in the Project land/financial services areas	Age and gender of household head, by department, by commune
Annual average income of households in non benefiting areas	Annual average income level per household in the non benefiting land/financial services project	Age and gender of household head, by department, by commune
Increased profits of MSMEs receiving benefit from the "Access to Financial Services Project capacity building activity	Additional profits of MSMEs that are clients of institutions benefiting from the Financial Innovation and Expansion Challenge Facility	By age and gender of MSME owner, by type of enterprise, by department, by commune (compare intervention and non intervention areas)
Increased wages of MSMEs receiving benefit from the "Access to Financial Services Project" capacity building activity	Additional wages of MSMEs that are clients of institutions benefiting from the Financial Innovation and Expansion Challenge Facility	By age and gender of MSME owner, by enterprise type, by department, by commune (compare intervention and non intervention areas)
Profits of port users	Total profits of Port users	By type of port user
Wages of port users	Total wage bill of Port users	By type of port user
<b>ACCESS TO LAND</b>		
Percentage of households investing in targeted rural land parcels	Percentage of households with at least one member making financial or in kind investment on rural land parcels in PFR intervention areas	Investment type (real estate, agricultural production, industrial production)
Percentage of households investing in rural land parcels in non intervention areas	Percentage of households with at least one member making financial or in kind investment on rural land parcels outside of project areas	Investment type (real estate, agricultural production, industrial production)
Percentage of households investing in targeted urban land parcels	Percentage of households with at least one member making financial or in kind investment on urban land parcels in intervention area <sup>11</sup>	Investment type
Percentage of households investing in non intervention urban parcels	Percentage of households with at least one member making financial or in kind investment on urban land parcels in non intervention area	Investment type
Average cost to obtain a new land title through the on-demand process	Average cost to obtain a new land title through existing titling process (on-demand- for parcels with no habitation permit)	By gender, by department, by project area

<sup>11</sup> Once the urban intervention areas are identified, the baseline and target values will be adjusted accordingly

Average cost required to convert occupancy permit to land title through the systematic process	Average cost to obtain a land title through occupancy permit conversion in project areas benefiting from project's systematic conversion process	By gender, by department, by project area
Take up rate of new land titles	Share of new titles claimed by final beneficiary each year relative to the total number of titles issued per year	By gender, by department, by project area
Share of respondents perceiving land security in PH-TF and PFR areas	Share of respondents in areas benefiting from PH-TF conversion or PFR that perceive increased land security	By gender, by department, by commune, by project area (rural and urban)
Number of new land titles obtained by transformation of occupancy permit	Total number of new land titles obtained by conversion of an occupancy permit, per year	By gender, by department, by commune
Number of public and private surveyors trained	Number of public and private surveyors trained in GPS use in the PFR implementation framework	Sector (public/ private),
Number of PFR established within MCA Benin implementation	Total number of PFR completed in targeted villages, during each year	By commune, By department
Number of land certificates issued within MCA-Benin PFR implementation	Total number of land certificates issued within MCA-Benin implementation, per year	by gender, by department, by commune, by project area (rural or urban)
Number of communes benefiting from capacity building plans within MCA-Benin implementation	Total number of communes that have benefited from capacity building for PFR implementation	By commune, department
Number of village land management sections installed within MCA Benin implementation	Number of SVGF started, per year, in communes benefiting from PFR	By commune, department
Number of communal service offices opened	Number of communal services of land information management opened	By department
Number of communes with new cadastres	Total number of communes with new cadastres	By department
<b>ACCESS TO FINANCIAL SERVICES</b>		
Value of credits outstanding at Micro Finance Institutions at the national level	Total value of all outstanding loans granted by all MFIs authorized by CSSFD	MFI type, agency or branch
Value of savings at Micro Finance Institutions at the national level	Total value savings at MFIs authorized by CSSFD	MFI type, agency or branch
Average portfolio-at-risk > 90 days of microfinance institutions (MFIs) participating in the Challenge Facility	Average share of all outstanding loans with one or more installments 90 days overdue, among MFIs participating in the Challenge Facility	MFI type, agency or branch
Average portfolio-at-risk > 90 days of microfinance institutions de (MFIs) at national level	Average share of all outstanding loans with one or more installments 90 days overdue, among MFIs supervised by CSSFD	MFI type, agency or branch



Operational self-sufficiency of MFIs participating in the Challenge Facility	Share of costs covered by operating revenues among MFIs participating in Project activities (annually) Operating revenue/(financial expense + loan loss provision + operating expense)	MFI type
Operational self-sufficiency of MFIs at national level	Share of costs covered by operating revenues among all MFIs (national level), annually	MFI type
Number of MFIs inspected by CSSFD	Total number of MFIs who have received an inspection mission in the last year	MFI type
Sanction application rate following inspections	Share of sanctions implemented compared to total number of sanctions noted following inspections	MFI type
Average time for treating an application for MFI authorization	Average amount of time for the CSSFD to process and transfer authorization requests to the BCEAO, the Banking Commission and the Minister of Finance	MFI type and by outcome of review (authorized, rejected or returned)
Rate of MFI applications authorized by CSSFD	Percentage of MFI applications authorized, relative to MFI applications	By MFI type and outcome of review (authorized, returned or rejected)
Number of new loans guaranteed with land titles	Total number of title- based loans, per year	by department, gender, type of financial institution
Number of institutions receiving grants through the Facility	Number of institutions receiving grants through the Challenge Facility	by department, type of institution
Number of financial institutions trained on use of land titles as collateral in loans or refinancing	Total number of institutions trained on the use of land titles as a collateral for new credit or refinancing, per year	type of institution
Number of MFI audits conducted	Total number of MFI audits conducted each year	By department

<b>ACCESS TO JUSTICE</b>		
Average time required for TPI to reach a final decision on a case	Average time between court case filing and final court decision on the case	By jurisdiction, by type of case
Average time required for Court of Appeals to reach a final decision on a case	Average time between case entry at Court of Appeals and final court decision on the case	By jurisdiction, by type of case
Number of cases processed by the Arbitration center	Number of cases processed by the Arbitration center each year	Arbitration, conciliation, mediation, gender of business owner, amount of money involved
% of cases resolved in TPI per year	Share of number of cases resolved compared to total outstanding stock of cases filed at TPI, per year	By jurisdiction, case type
% of cases resolved in Court of Appeals per year	Share of number of cases resolved compared to total outstanding stock of cases filed at Court of Appeals, per year	By jurisdiction, case type
Average distance required to reach TPI	Distance between village and jurisdictional TPI	By department
Number of enterprises registered through the business registration centers	Annual number of enterprises registered with Chamber of Commerce Guichet Unique central or satellite offices	By subscribed capital, social objective, by department, by gender of business owner
Average time to register a business	Number of days associated with registering enterprises with Chamber of Commerce Guichet Unique central or satellite offices	By department
Average time to register a sole proprietorship enterprise with CFE	Number of days associated with registering enterprise	By department
Number of businesses accessing CAMEC services	Number of businesses accessing CAMEC services (incremental)	By subscribed capital, social objective, by department, by gender of business owner
Number magistrates trained	Number of magistrates who receive at least one training per year	By gender and TPI or court of appeals of origin
Number of court clerks trained	Number of court clerks who receive at least one training per year	By gender, TPI or court of appeals of origin
Number of court inspections performed	Number of court inspections per year	By jurisdiction
Number of users of the legal information center	Number of legal information center users over the course of one year	By gender, age, socio professional category
<b>ACCESS TO MARKETS</b>		
Volume of merchandise traffic passing through the Port of Cotonou	Total volume of exports and imports passing through Port of Cotonou	By imports and exports
Port user satisfaction level	Share of port users satisfied with Port operations	By gender of business owner, by business size

## ANNEX 4: Performance indicator revisions and modifications

Date of proposed modification: May 2009

### *Project: Access to Land*

**Project Objective:** Strengthen property rights and investment

#### **Outcomes:**

- Reduced time and cost to obtain a land title
- Increased perception of land tenure security

<b>Original indicator name:</b> Total investment in targeted rural land parcels, total investment in targeted urban land parcels
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> remove from M&E plan (and program logic diagram)
<b>Justification:</b> Reliable data is not available for this indicator

<b>Original indicator name:</b> Percentage of households investing in targeted rural land parcels, Percentage of households investing in targeted urban land parcels
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> add from M&E plan (and program logic diagram)
<b>Justification:</b> this indicator serves as a proxy for investment in land

<b>Original indicator name:</b> Reduced number of land disputes
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> remove from M&E plan (and program logic diagram)
<b>Justification:</b> Decrease in conflicts not expected before compact end

<b>Original indicator name:</b> Average time required to convert occupancy permit to land title
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> remove from M&E plan (and program logic diagram)
<b>Justification:</b> Indicator does not properly capture project impact (time for conversion expected to be influenced by project's systematic process)

<b>Original indicator name:</b> Average cost required to obtain a new land title
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> Change indicator to: "Average cost required to obtain a new land title through the on-demand process"
<b>Justification:</b> Indicator better measures performance by capturing impacts from the policy process (whereby the overall environment for land titling should be improved)

<b>Original indicator name:</b> Average cost required to convert occupancy permit to land title through systematic process
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> add to M&E plan
<b>Justification:</b> Current indicators do not properly capture performance- this indicator will measure the systematic process that the activity is expected to impact

<b>Original indicator name:</b> Take up rate of new land titles
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> add to M&E plan
<b>Justification:</b> Current indicators do not capture critical component for project's success

<b>Original indicator name:</b> Percentage of Benin population perceiving land security in targeted areas
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> Change indicator title to "Share of respondents perceiving land security in targeted areas"
<b>Justification:</b> Current indicator lacks precision

<b>Original indicator name:</b> Percentage of Benin population perceiving land security in non intervention areas
<b>Indicator type/ level:</b> Project level outcome
<b>Modification:</b> Change indicator title to "Share of respondents perceiving land security in non intervention areas"
<b>Justification:</b> Current indicator lacks precision

<b>Original indicator name:</b> Number of land disputes reported to commune heads
<b>Indicator type/ level:</b> Project outcome level indicator
<b>Modification:</b> remove from M&E plan (and program logic diagram)
<b>Justification:</b> Decrease in conflicts not expected before compact end

<b>Original indicator name:</b> Number of land disputes brought to courts
<b>Indicator type/ level:</b> Project outcome level indicator
<b>Modification:</b> remove from M&E plan (and program logic diagram)
<b>Justification:</b> Decrease in conflicts not expected before compact end

<b>Original indicator name:</b> Number of new land titles obtained by transformation of occupancy permit
<b>Indicator type/ level:</b> Achieving formal property rights output indicator
<b>Modification:</b> indicator changes from outcome to output level
<b>Justification:</b> Indicator was previously misclassified

<b>Original indicator name:</b> Number of urban parcels mapped
<b>Indicator type/ level:</b> Achieving formal property rights output indicator
<b>Modification:</b> this indicator was added to the M&E plan
<b>Justification:</b> MCC common indicator reporting requirements

<b>Original indicator name:</b> Number of land certificates established within MCA-Benin PFR implementation
<b>Indicator type/ level:</b> Achieving formal property rights output indicator
<b>Modification:</b> Indicator name changed to "Number of land certificates established within MCA-Benin PFR implementation"; indicator changes from outcome to output level
<b>Justification:</b> Wording changed to better reflect expected process, indicator was previously misclassified

<b>Original indicator name:</b> Rural hectares formalized
<b>Indicator type/ level:</b> Achieving formal property rights output indicator
<b>Modification:</b> this indicator was added to the M&E plan
<b>Justification:</b> MCC common indicator reporting requirements

<b>Original indicator name:</b> Number of commune covered by information campaign
<b>Indicator type/ level:</b> Improve Land Registration Services and Land Information Management Activity output indicator
<b>Modification:</b> remove from M&E plan
<b>Justification:</b> Indicator not critical for measuring project performance

<b>Original indicator name:</b> Number of departments covered by regional micro diagnosis
<b>Indicator type/ level:</b> Improve Land Registration Services and Land Information Management Activity output indicator
<b>Modification:</b> remove from M&E plan
<b>Justification:</b> Indicator not critical for measuring project performance

<b>Original indicator name:</b> Number of villages covered by land diagnosis
<b>Indicator type/ level:</b> Improve Land Registration Services and Land Information Management Activity output indicator
<b>Modification:</b> remove from M&E plan
<b>Justification:</b> Indicator not critical for measuring project performance

<b>Original indicator name:</b> Seven studies complete
<b>Indicator type/ level:</b> Policy and legal reform output indicator
<b>Modification:</b> change from process milestone to output indicator
<b>Justification:</b> MCC M&E common indicator requirement

<b>Original indicator name:</b> Number of permanent stations installed
<b>Indicator type/ level:</b> Achieving Formal Property Right to Land output indicator
<b>Modification:</b> change from process milestone to output indicator
<b>Justification:</b> MCC M&E common indicator requirement

<b>Original indicator name:</b> Number of public and private surveyors trained
<b>Indicator type/ level:</b> Achieving Formal Property Right to Land output indicator
<b>Modification:</b> change from process milestone to output indicator
<b>Justification:</b> MCC M&E common indicator requirement

<b>Original indicator name:</b> Land market information system established
<b>Indicator type/ level:</b> Improved land registration services output indicator
<b>Modification:</b> change from process milestone to output indicator
<b>Justification:</b> MCC M&E common indicator requirement

## ***Project: Access to Financial Services***

**Project Objective:** Expand access to financial services

### **Outcomes:**

- Strengthened capacity of select financial institutions
- Strengthened monitoring capacity of Supervisory Authority
- Improve use of land titles as collateral

<b>Original indicator name:</b> Value of credits outstanding at Micro Finance Institutions at the national level
<b>Indicator type/level:</b> Project level outcome indicator
<b>Modification:</b> Change units from USD to FCFA; specify all outstanding loans
<b>Justification:</b> Previous indicator lacked precision and consistency

<b>Original indicator name:</b> Value of savings at MF institutions at the national level
<b>Indicator type/level:</b> Project level outcome indicator
<b>Modification:</b> Change units from USD to FCFA; specify all outstanding loans
<b>Justification:</b> Previous indicator lacked precision and consistency

<b>Original indicator name:</b> Number of loan recipients of Micro Finance Institutions at the national level
<b>Indicator type/level:</b> Strengthened capacity of financial institutions- outcome indicator
<b>Modification:</b> Indicator added to M&E plan
<b>Justification:</b> existing indicators do not sufficiently measure performance on project outcomes

<b>Original indicator name:</b> Number of savers among Micro Finance Institutions at the national level
<b>Indicator type/level:</b> Strengthened capacity of financial institutions- outcome indicator
<b>Modification:</b> Indicator added to M&E plan
<b>Justification:</b> existing indicators do not sufficiently measure performance on project outcomes

<b>Original Indicator name:</b> Average portfolio-at-risk > 90 days of participating MFIs
<b>Indicator type/ level:</b> Financial enabling environment - outcome indicator
<b>Modification:</b> clarify indicator definition to include all outstanding loans; baseline and targets changed to reflect inclusion of MFIs benefiting from the Challenge Facility
<b>Justification:</b> Previous indicator definition lacked precision

<b>Original Indicator name:</b> Average portfolio-at-risk > 90 days of microfinance institutions (MFI) at the national level
<b>Indicator type/ level:</b> Financial enabling environment - outcome indicator
<b>Modification:</b> clarify indicator definition to include all outstanding loans
<b>Justification:</b> Previous indicator definition lacked precision

<b>Original Indicator name:</b> Operational self-sufficiency of participating MFIs
<b>Indicator type/ level:</b> Financial enabling environment - outcome indicator
<b>Modification:</b> New baseline and target information to reflect inclusion of MFIs benefiting from the Challenge Facility
<b>Justification:</b> Relevant data was not previously available

<b>Original indicator name:</b> Number of MFIs inspected based on MCA funding
<b>Indicator type/ level:</b> Financial enabling environment- output indicator
<b>Modification:</b> Remove indicator
<b>Justification:</b> Indicator not necessary for measuring project performance

<b>Original indicator name:</b> Systemic risk coverage rate by inspections
<b>Indicator type/ level:</b> Financial enabling environment- outcome indicator
<b>Modification:</b> new baseline information with targets adjusted accordingly
<b>Justification:</b> The original baseline was incorrectly calculated. A new baseline has been added with targets following the same trend originally proposed for this indicator.

<b>Original indicator name:</b> Average time for treating applications for MFI authorizations
<b>Indicator type/ level:</b> Financial enabling environment- outcome indicator
<b>Modification:</b> change calculation methodology and disaggregation; change in definition
<b>Justification:</b> Current methodology does not take into account applications that are outstanding, indicator must be disaggregated by outcome: authorized applications; rejected applications; returned applications; the definition was adjusted to include "transfer authorization applications, with its recommendations"

<b>Original indicator name:</b> % of MFI applications authorized by CSSFD
<b>Indicator type/ level:</b> Financial enabling environment- outcome indicator
<b>Modification:</b> change calculation methodology and disaggregation
<b>Justification:</b> Current methodology does not take into account applications that are outstanding, indicator must be disaggregated by outcome: authorized applications; rejected applications; returned applications

<b>Original indicator name:</b> Number of institutions receiving grants through the Facility
<b>Indicator type/ level:</b> Capacity building activity- output indicator
<b>Modification:</b> Targets modified
<b>Justification:</b> schedule of targets modified to account for delayed implementation; change should have no significant impact on the economic rate of return



## ***Project: Access to Justice***

**Project Objective:** Improve ability of justice system to enforce contracts and reconcile claims

### **Project Outcomes:**

- Increased efficiency and improved services of courts and arbitration center
- Increased access to court system
- Improved enterprise registration center

<b>Original indicator name:</b> Average time required to make enforceable a contract
<b>Indicator type/level:</b> Project level outcome indicator
<b>Modification:</b> Remove from M&E plan
<b>Justification:</b> this process will not be affected by project activities

<b>Original indicator name:</b> Average time required for TPI to solve a case
<b>Indicator type/level:</b> Project level outcome indicator
<b>Modification:</b> Change in baseline and targets (note that updated calculation to be added)
<b>Justification:</b> New survey data provided a more accurate baseline

<b>Original indicator name:</b> Average time required for Court of Appeals to solve a case
<b>Indicator type/level:</b> Project level outcome indicator
<b>Modification:</b> Change in baseline and targets (note that updated calculation to be added)
<b>Justification:</b> New survey data provided a more accurate baseline

<b>Original Indicator name:</b> Level of companies satisfaction with respect to the legal system
<b>Indicator type/ level:</b> Project level outcome indicator
<b>Modification:</b> Remove from M&E plan
<b>Justification:</b> Indicator does not provide an appropriate measurement performance

<b>Original indicator name:</b> Number of cases processed at the Arbitration Center
<b>Indicator type/ level:</b> Arbitration Center activity Outcome indicator
<b>Modification:</b> Targets changed
<b>Justification:</b> Project implementation was delayed due to external factors, target changes have no impact on project's economic rate of return

<b>Original indicator name:</b> % of cases resolved in TPI per year
<b>Indicator type/ level:</b> Courts Activity outcome indicator
<b>Modification:</b> Revised targets and baseline
<b>Justification:</b> New survey data provides more accurate reflection of baseline; denominator must include the total stock of outstanding TPI court cases

<b>Original indicator name:</b> % of cases resolved in Court of Appeals per year
<b>Indicator type/ level:</b> Courts Activity outcome indicator
<b>Modification:</b> Revised targets and baseline
<b>Justification:</b> New survey data provides more accurate reflection of baseline; denominator must include the total stock of outstanding TPI court cases

<b>Original indicator name:</b> Average distance required to reach TPI
<b>Indicator type/ level:</b> Courts Activity outcome indicator
<b>Modification:</b> Modify baseline, remove year 3 target
<b>Justification:</b> Activity implementation has been delayed and new survey data provides more accurate baseline; Change has no impact on economic rate of return

<b>Original indicator name:</b> Average time required to register an enterprise (societe)
<b>Indicator type/ level:</b> Business Registration Activity outcome indicator
<b>Modification:</b> Change in baseline
<b>Justification:</b> Initial World Bank Doing Business data reflects limited number of CFE, new baseline includes CFE satellite offices

<b>Original indicator name:</b> Average time required to register an individual business
<b>Indicator type/ level:</b> Business Registration Activity outcome indicator
<b>Modification:</b> Change in baseline
<b>Justification:</b> Initial World Bank Doing Business data reflects limited number of CFE, new baseline includes CFE satellite offices

<b>Original indicator name:</b> Number of arbitrators and CAMEC staff trained in arbitration procedures, and ADR and arbitration management
<b>Indicator type/ level:</b> Arbitration Center Activity indicator
<b>Modification:</b> Remove from M&E plan
<b>Justification:</b> This indicator does not reflect a major activity of the Access to Justice project and information need not be conveyed to MCC

<b>Original indicator name:</b> Number of court employees trained (magistrates)
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> Change name to “Number of magistrates who have received at least one training”; changed target to reflect the actual number of magistrates in Benin
<b>Justification:</b> Avoid double counting training participants

<b>Original indicator name:</b> Number of court employees trained (court clerks)
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> Change name to “Number of court clerks who have received at least one training”; changed target to reflect the actual number of court clerks in Benin
<b>Justification:</b> Avoid double counting training participants

<b>Original indicator name:</b> Number of court employees trained (magistrates) in OHADA law
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> Remove from M&E plan
<b>Justification:</b> Indicator does not properly measure performance as beneficiaries are double counted and targets cannot be established accurately

<b>Original indicator name:</b> Number of court employees trained (court clerks) in OHADA law
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> Remove from M&E plan
<b>Justification:</b> Indicator does not properly measure performance as beneficiaries are double counted and targets cannot be established accurately

<b>Original indicator name:</b> Number of court inspections per year
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> targets reduced
<b>Justification:</b> original targets included 9 courthouses to be built under the project, but which will not be complete until the final compact year

<b>Original indicator name:</b> Average number of inspections per court per year
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> year 4 target added
<b>Justification:</b> reflect current implementation expectations, no impact on ERR

<b>Original indicator name:</b> Number of users of the legal information center
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> targets decreased
<b>Justification:</b> reflect that legal information center will not be operational until year 5

<b>Original indicator name:</b> Number of IEC sessions hosted for CAMEC
<b>Indicator type/ level:</b> Courts activity output indicator
<b>Modification:</b> Added to M&E plan
<b>Justification:</b> Current indicators do not properly measure performance (the development of this activity has shown the increasing importance of marketing CAMEC services)

## ***Project: Access to Markets***

**Project Objective:** Improved physical infrastructure

### **Project Outcomes:**

- Reduced ship wait time
- Streamlined customs clearance procedures
- Increased port user satisfaction
- Increased usage of import/export facilities of Port by fishing/seafood businesses

<b>Original indicator name:</b> Reduced Port Surcharges due to delay
<b>Indicator type/ level:</b> Projective level objective indicator
<b>Modification:</b> remove indicator temporarily
<b>Justification:</b> Current data source (Europe West Africa Trade Agreement) is no longer available, end of compact values on this indicator will be measured through a separate evaluation study

<b>Original indicator name:</b> Client Satisfaction with average customs clearance time at port
<b>Indicator type/ level:</b> Increased Port user satisfaction- outcome indicator
<b>Modification:</b> remove from M&E plan
<b>Justification:</b> indicator does not properly measure performance

<b>Original indicator name:</b> Bulk ship waiting times at port
<b>Indicator type/ level:</b> Project level outcome indicator
<b>Modification:</b> change reporting frequency
<b>Justification:</b> data available only twice a year

<b>Original indicator name:</b> Bulk ship waiting times at anchor
<b>Indicator type/ level:</b> Project level outcome indicator
<b>Modification:</b> remove from M&E plan
<b>Justification:</b> indicator is not critical for measuring performance

<b>Original indicator name:</b> Bulk ship waiting times at berth
<b>Indicator type/ level:</b> Project level outcome indicator
<b>Modification:</b> remove from M&E plan
<b>Justification:</b> indicator is not critical for measuring performance

<b>Original indicator name:</b> Volume of Seafood processed through BOC (tons)
<b>Indicator type/ level:</b> Increased use of import/ export facilities of Port by fishing/ seafood businesses- outcome indicator
<b>Modification:</b> changed to "Volume of seafood exports processed through Port of Cotonou", adjusted targets to reflect exports rather than the total quantity of fish processed
<b>Justification:</b> Seafood/ fish inspection center will not be complete before the end of compact

ANNEX 5: Draft Monitoring and Evaluation Timeline																							
		year 1				year 2				year 3				year 4				year 5					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
<b>Administration</b>																							
Fully staff MCA-Benin M&E team																							
Produce and distribute M&E manuals																							
Organize M&E training to be provided to the MCA management team and implementing entities																							
Obtain MCA-Benin Board approval/review of M&E plan																							
Hold quarterly monitoring meetings*																							
Produce and distribute annual reports																							
<b>Management Information System</b>																							
Design and roll-out																							
Data verification site visits/internal data quality reviews																							
External data quality reviews																							
<b>Goal-level data collection</b>																							
Household income																							
MSMEs' value added**																							
Port users' value added																							
<b>Project level data</b>																							
<b>Access to land***</b>																							
Investment in targeted rural land																							
Investment in targeted urban land																							
Respondents perceiving land security																							
Average times to obtain land titles																							
Average costs to obtain land titles																							
Number of land disputes brought to formal court																							
Number of communal land disputes not brought to court																							
<b>Access to finance****</b>																							
Financial services extended by institutions																							
Portfolio-at-risk of participating MFIs																							
Operational self-sufficiency of participating MFIs																							
Number of MFIs supervised by the Cellule de Microfinance																							
Number of bank credits guaranteed with land titles																							
<b>NOTES</b>																							
B= baseline, D=design, R=reporting, C=collection, <b>Bold</b> =as specified in Annex 3 of the Compact																							
*Quarterly monitoring meetings will review data at all levels provided from other sources including: DDET, Cellule de Microfinance, PAC, Fisheries department, Ministry of Justice, Chamber of Commerce																							
**Data will be collected both on MSMEs that are participating in the program and those that are not.																							
***For most land indicators, data will be collected for areas that participate in the program and those that do not.																							
****For most finance indicators, baseline information on MFIs will be collected as they join the program.																							
§ Because the source of this indicator is the EMICOV survey, it will not be realistic to obtain it during the Compact's 4th year as was originally planned.																							

\*\*Data will be collected both on MSMEs that are participating in the program and those that are not.

\*\*\*For most land indicators, data will be collected for areas that participate in the program and those that do not.

\*\*\*\*For most finance indicators, baseline information on MFIs will be collected as they join the program.

§ Because the source of this indicator is the EMICOV survey, it will not be realistic to obtain it during the Compact's 4th year as was originally planned.

	year 1				year 2				year 3				year 4				year 5		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Access to justice</b>																			
Average time required to make enforceable a contract								R				*				R			
Average satisfaction level with the judicial system reported by firms								R				*				R			
Number of cases treated at Arbitration Center								R				R				R			
% of all cases closed or/and emptied by the TPI								R				R				R			
Average distance required to reach TPI								R				R				R			
Number of enterprises registered through the registration center (guichet unique) ("societes and "entreprises individuelles")								R				R				R			
Average time required by the CFE, to finalize the societe registration formalities								R				R				R			
Average time required by the CFE to finalize an enterprise registration formalities								R				R				R			
<b>Access to markets</b>																			
Volume of merchandise passing through the PAC				R				R				R				R			
Port surcharges due to delays								R				R				R			
Bulk ship waiting times at the port								R				R				R			
Average customs clearance times at the port								R				R				R			
Port user satisfaction			B					R				R				R			
Average duration of stay of trucks at port								R				R				R			
Volume of fish exports through the BOC																R			
<b>Evaluations</b>																			
Overall program evaluation	D	D	D					C				R							
Access to markets evaluation on consumer prices				D				C				C				C			

#### NOTES

\* Because the source of this indicator is the World Bank, it will not necessarily be updated according to the Compact year.



## **Annex 6: M&E studies results**

### **1. Port User Satisfaction Study**

This study's objective was to enumerate all business and entities operating within the Port of Cotonou and to establish baseline values for performance indicators critical to the monitoring and evaluation of the MCA Benin program. The study consisted of two phases. The first phase consisted of a census of all businesses and entities operating within the Port (including formal and informal businesses). In the second phase, a survey was carried out with a representative sample of the population of all port users, to acquire data on user satisfaction and knowledge of Port services. The key data sources for developing the study's sample frame were: the registry of all businesses and entities entering the port facilities; the Trade and Industry Ministry's registry of all exporters or importers (formal and informal); businesses registered with the National Social Security administration; and field work in the Port. The user satisfaction component of the study was administered on a sample of 1000 port users drawn from the population enumerated in the first phase.

In executing this study, difficulties encountered included the lack of physical address for port businesses and weak response or refusal by business owners to respond to certain survey questions, particularly on salary and business profits.

The survey results aim to represent the 2742 port operators and users in the Port of Cotonou (ship operators, customs agents, businesses based in the port, importers and exporters associations and organizations). Some key findings in this survey included:

- Generally- services available in the Port are well understood by all port operators
- Businesses perceive a high level of theft and damage in the Port
- 2/3 of survey respondents perceived high levels of corruption in the Port, affecting all stages and processes in Port operations
- The level of satisfaction of operators and users is low: 59%
- The average value added to the Port per business is 263 million, average business profits are 6.905 million FCFA and the average annual wage bill is 50.372 million FCFA
- The average truck circulation time in the Port is 104 hours (approximately 4 days) for freight operations

The principal recommendations are to install computerized access to the Port in order to better identify Port users (and prevent unauthorized users from entering the port); implement a measurement system to record the time and cost of services offered in the Port; create and adopt a procedures manual that formalized and documents working procedures and management rules; developing an ISO 9001 compliant quality management system; introduce an activity management system and client complaint management system.

### **2. Business Registration Center Indicator Study**

The study aimed to collect, organize and deliver reliable baseline data for performance indicators based on the Business Registration Center (CFE) activities. This study required extensive fieldwork to develop a database for these indicators (visiting field offices, interviewing key agents in registration activities). Baseline values for indicators on *Days to register a business* and the *Number of businesses registered annually* were calculated after a thorough review of the registry centers database.

Difficulties encountered throughout this study included: information missing from the registration application submitted by business owners, missing copies of registration documents, and delays in developing a comprehensive database.

The recommendations emphasize the necessity of appropriately filling out and storing registration information.



### **3. Justice Sector Indicator Study**

The study objectives were to collect, organize and provide reliable baseline indicators and actuals for performance indicators for the Access to Justice project and led to the development of a comprehensive database to allow subsequent reporting on performance indicators and other relevant information. This study systematically reviewed all cases resolved in 2005 and 2006 throughout all jurisdictions in Benin. Subsequently, a database was developed to allow the DPP/ Justice Ministry to automatically calculate actual values for MCA Benin's performance indicators.

This study encountered difficulties in obtaining data through case files and in communicating with court clerks who were unavailable. Case files were also poorly organized and were often not archived. On-going justice sector strikes also impeded progress on the data collection activity.

The key findings of this study included:

- Average time to reach a decision on a case was 8.7 months in for the TPI (circuit court) in 2005 and 9.1 months in 2006; average time to reach a decision on case for the Appeals court was 25.9 months in 2005 and 22.6 months in 2006.
- 2135 land conflicts were registered across all jurisdictions in 2005, and 3148 were registered in 2006. The number of land conflicts registered with the TPIs was 2112 in 2005 and 2614 in 2006.
- A final decision was reached on a case for 46% of cases at the TPI in 2005 and 38.3% of cases in 2006.
- A final decision was reached on a case for 21.8% % of cases at the appeals courts in 2005 and 14.8% of cases in 2006.
- Average time for court decisions to be enforced (after reaching a final decision on a case) was 5 months for TPIs and 12 months for appeals Courts.
- The average distance between the head villages in a commune and the TPI is 35.7 km. However, this indicator has a significant degree of variation.

Recommendations following from this study included: integrating performance indicator calculations into the current justice sector database; strengthening the capacity of the data collection and analysis system and designated justice sector employees system; and improving the data processing and storage approaches at the level of all jurisdictions.

### **4. Business Census**

The Business Census collected qualitative and quantitative data on all non-mobile (fixed location) businesses in Benin. Information acquired included: the business location (GPS coordinates); the socio demographic characteristics of the business owners; and the real employment created by all Beninese businesses. The census fieldwork consisted of direct interviews with business owners or franchise managers. This survey required the systematic enumeration of all businesses in urban areas (examining each neighborhood block to identify businesses operating in that specific area). In rural areas, the census covered only the head villages of each commune or district.

Some difficulties encountered during fieldwork include:

- Enumerators were poorly received and there was poor response in some areas because of tax collections activities were occurring at the same time (leading business owners to believe that survey responses would influence tax collection activities).
- Certain business owners were hesitant to provide sensitive business information
- Physical access to certain areas, especially in the North of Benin, was difficult

- Survey activities were delayed due to delays in the finalization and extraction of GPS data

The preliminary field report indicates that 146 484 businesses were interviewed throughout Benin. The result will be a database including their physical location (GPS coordinates), business revenue and profits, number and types of employees, and key constraints to their business operations.

Census results will be available once data processing and analysis is completed.

Additional studies that MCA Benin is currently implementing include:

- Social Audit (Civil Society Perspective of Program Implementation)
- Mid-term evaluation
- Data collection for the Challenge Facility Impact Evaluation
- Implementing Entities Satisfaction Study

## **Annex 7: Impact Evaluation Methods**

### **Access to Land**

Results of the MCA Program's Access to Land activities will be measured through (i) the activities' contribution to changing household income in the Land Project areas and (ii) the total value of additional investment in targeted rural and urban land parcels. The primary source to inform income and additional investment at the household level will be the national EMICoV survey.

As currently proposed, the impact evaluation will create credible control groups to which those villages randomly selected for participation in the Registration Activity will be compared. Of the 300 villages benefiting from the Project in the rural area, 120 will be selected randomly, with an equivalent number of villages serving as a control group. Activities may be phased-in over a subset of villages. Phasing-in of activities will provide an experiment and control comparison until the point at which the control villages get their turn for treatment. Phasing will also test the effect of each activity independent of and in combination with other activities.

Finally, the evaluation will seek to utilize Geographic Information System (GIS) data to strengthen the analysis. GIS data may depict differences in welfare outcomes due to variation in geographic, biophysical and market accessibility conditions. Spatial analysis will facilitate the controlling for such exogenous effects. In addition, GIS data will aid in controlling for "neighbourhood" effects, where a village's outcome may be correlated with its spatial proximity to another village. Data necessary to explain these exogenous factors will be collected through government agencies or NGOs operating in Benin, as available.

### **Access to Financial Services**

Results of the MCA Access to Financial Services Project will focus on the impact of the Challenge Facility and will be primarily measured through (i) cost reductions for clients and MFIs in the provision of financial services, (ii) improved portfolio and risk assessment.

The Challenge Facility should serve approximately 50 institutions that have submitted grant proposals to expand access to financial services and business development services. Up to 10 institutions may apply for each grant awarded, estimated to range from \$25,000-250,000 (for individual institutions or up to \$500,000 for a consortium of more than one), with one institution taking the lead and serving as the primary point of contact during the application process and implementation.

As financial institutions will compete to participate in the program, the evaluation method will address selection bias through a combination of randomized control trial within projects or a quasi-experimental design using Propensity Score Matching (PSM).<sup>12</sup> PSM will identify comparable MSMEs to match the MSMEs that are clients of grantees being funded by the Challenge Facility. To do this matching, the characteristics of the MSMEs or representative sample clients of benefiting financial institutions will need to be identified so that firms (i.e., not on the existing or newly-sought customer list of the grantee) with characteristics that would result in the same propensity of being selected are identified as the comparison group. The business census will provide some data and the possibility to identify a group of comparison MFIs that may be required to provide further data. While the evaluation design must still be refined, core evaluation hypotheses focus on the benefits at the level of micro finance institutions. In the long run, institution level benefits are expected to lead to client

benefits in the form of increase business profits or salaries, improved income and consumption. These effects may not be observable during the Compact, however.

Given the small number of grantees and the likely wide variation of their interventions, the results of the impact evaluation are unlikely to be generalizable to similar programs in a statistically powerful way.

### **Access to Land- Registration Activity (Urban Titling)**

Access to Land urban titling component rigorous impact evaluation is not feasible as a counterfactual cannot be established with the implementation timeline and approach. A mixed methods evaluation approach to document the project's impact on beneficiaries is proposed below. The Access to Justice project has similarly presented limited opportunity for a rigorous impact evaluation and an evaluation study will be designed to address key outcome questions described below. For the Access to Markets project, no obvious candidates for legitimate comparators exist. Therefore, an impact evaluation has not been planned. However, an evaluation of the effect of port efficiency on consumer welfare and foreign trade will be conducted under the auspices of MCA-Benin.

This project activity will be evaluated by comparing its process and outcomes to a previous pilot study with the similar objective of converting habitation permits to land titles in urban areas. The pilot project was implemented from 2001-2003 in seven urban zones throughout Benin. The key comparison will be whether MCA Benin's systematic urban titling process conducted under Access to Land project provided beneficiaries with titles in a shorter time frame, whether the cost per title delivered was lower and whether more beneficiaries have attained titles at the end of this process.

A process study shall evaluate the effectiveness of the systematic titling process. Specifically, what was the burden involved in acquiring the title and what forms of documentation were required and accepted. This evaluation study shall obtain administrative documentation from DDET to determine the composition of documents provided in any urban zone. Additional methodological approaches may include participant observer approach, focus groups, and key informant interviews.

Long term economic impacts of land titling may only emerge after the completion of MCA Benin's compact. Thus an outcome evaluation may focus on medium term effects and proxies for economic impacts. This evaluation should determine the importance of having a land title for transactions on land and whether possession of a land title encourages investment on land. To the extent possible, this evaluation shall also examine how a land title impacts land values, controlling for relevant economic factors.

### **Access to Justice**

The Access to Justice project evaluation shall address whether the intervention has indeed made justice more accessible to the Beninese population. This evaluation will examine whether the constraints that actually prevent access to the justice system have been alleviated (such as excessive procedures, bureaucracy, or cost). It shall also consider the "demand" side—that potential beneficiaries may refrain from engaging in the judicial sector due to lack of confidence in its ability and widespread perceptions of corruption. A further question will be what economic benefits result if the Justice sector has indeed become more accessible.

This study shall rely on existing administrative data, household survey data from EMICOV and data from the Business Census. Key questions to be examined include:

- Will alternative dispute resolution reduce the burden on courts, contribute to faster resolution of commercial disputes and reduce the cost of disputes
- Improved network of business registration centers reduce time to register MSMEs, contribute to the growth in the number and the value added of MSMEs.
- Does greater dissemination of court decisions, laws and other legal information lead to greater transparency and certainty in commercial transactions and increased investor confidence in the judicial system.

Potential evaluation approaches could include looking for localized impacts. For example, what are relevant outcomes observed in household survey or business census data where new court houses are constructed earlier or the “treatment intensity” is higher. Where relevant, the study could also examine or sector specific impacts: for example if particular sectors are engaging in suboptimal strategies to circumvent constraints posed by the justice sectors, what changes do be observe once constraints are addressed. Focus groups and key informant interviews can contribute to a more in depth understanding of the project’s impacts. This study will also include methodological approaches so that the analysis of outcomes is also can be generalized to the extent possible.

### **Access to Markets**

MCA-Benin will contract an independent research organization to study the effect of Access to Markets activities on the price of goods imported through the Port of Cotonou and Benin’s international trade in general. MCA-Benin, in coordination with MCC, will develop the Terms of Reference for the study by the third quarter of year four. MCC will approve the TORs before consultants/firms are engaged for this activity.

The study will test the hypothesis that Port infrastructure and institutional improvements will decrease Port congestion, reduce shipment costs and thereby increased consumer welfare in the form of reduced consumer prices, among other changes. The study will also compare the Port of Cotonou to other ports in the region (Abidjan, Lagos, Lome) to determine how its competitiveness has evolved on dimensions such as cost, service, trade volume, etc.